

## The Medicaid Integration Partnership: An Update

Strengthening community partnerships and improving health outcomes

### BRINGING US TOGETHER

The Department of Social and Health Services (DSHS) was created in the 1970s to include seven "administrations," each of them a virtual state department in and of itself. The purpose of the single large state agency was to allow the different social and health service providers to be joined at an operational level, enhancing oversight, cooperation and teamwork. In that same spirit, DSHS Secretary Dennis Braddock has now proposed an initiative aimed at bridging some of the divisions that have developed over the years. Braddock's charge is for the administrations to reach across the gaps and to create new partnerships that refocus agency services on clients and their needs.

**High-risk clients are shared by Medical Assistance, the Mental Health Division, the Division of Alcohol and Substance Abuse, and the Aging and Disability Services Administration. They have an enormous impact on DSHS expenditures:**

- Aged and adult disabled clients comprised 16% of DSHS' 1.3 million clients in FY2001.
- Medical, mental health, long-term care, and substance abuse treatment for this population accounts for almost one-third of DSHS' budget.
- Prescription drugs represent one-fifth of all the money DSHS spends on medical, mental health, long-term care and substance abuse treatment services for these clients.

**FOR MORE INFORMATION AND MIP CONTACTS, SEE PAGE 2**

**T**he Department of Social and Health Services expects to launch a pioneering Medicaid Integration pilot project in Snohomish County in January 2005, developing a new, client-centered approach to coordinated care for the aged and disabled population. The effort will build on successful projects and innovations already underway by DSHS, including a nearly two-year initiative involving disease management statewide.

**BACKGROUND:** Medicaid is a state-federal funding stream that provides various health-care services for low-income clients. These include medical assistance, drug/alcohol abuse treatment, mental health care, and long-term care. In Washington and many other states, these services traditionally are delivered by separate programs that specialize in different areas of health care. The problem with this system is that it is both inefficient and inconsiderate of a client's full range of needs, a problem that increases exponentially as Medicaid clients need additional services. It means their care is supervised by different programs, delivered by different staffs, handled by different sets of providers, and measured by different standards. Clients with disabilities often do not have a "medical home" or a personal primary health-care provider who can help them manage their individual care needs. This results in unnecessary Emergency Room visits, hospitalizations, and nursing facility admissions, as well as over-utilization of drug benefits and poor health outcomes overall. The current system also results in duplicative administrative costs, a greater need for medical services, and higher Medicaid funding.



**THE INTEGRATION SOLUTION:** Integrating the Medicaid benefit gives DSHS the opportunity to correct these problems. Medicaid Integration will help prevent unnecessary hospitalizations, postpone placements in nursing homes, help eliminate duplicate prescriptions, and avoid ER visits just to be able to see a physician.

**HOW WMIP WILL WORK:** The pilot project in Snohomish County will put an estimated 6,000 elderly and disabled clients at the center of their care. Funding from existing drug and alcohol abuse treatment programs, from fee-for-service medical assistance, and from mental health care networks will be pooled to provide these services through a new managed care environment. An immediate benefit for clients will be the fact that they will be assigned to primary health care providers who will be in position to coordinate all of their care, not just medical treatment. The WMIP project will not erode funding currently provided for other clients' needs in Snohomish County but will maximize current care.

*Executive leadership for the Medicaid project is being provided by **Doug Porter**, the Assistant Secretary for Medical Assistance Administration, and his counterparts at the head of two other DSHS administrations: **Kathy Leitch**, Assistant Secretary/Aging and Disability Services Administration, and **Tim Brown**, Assistant Secretary/Health and Rehabilitative Services. MIP team leaders -- **Alice Lind**, MAA, Team Chair; **Bill Moss**, ADAS; **Cathy Cochran**, Olmstead coordinator; **Harvey Perez**, DASA; **Darleen Vernon**, MHD; and **Dave Mancuso**, RDA -- are coordinating planning and program activities for the pilot and demonstration projects.*

## STRATEGIC GOALS FOR MEDICAID INTEGRATION

Four key steps to achieve the long-range vision:

► **Design and demonstrate the value of Medicaid integration.** WMIP will contract with at least one health plan partner interested in sharing the planning and development costs of a Medicaid Integration Pilot Project.

► **Implement an integrated health care model that demonstrates effective accountability for health outcomes and promotes Olmstead compliance.** WMIP is responsive to the Olmstead imperative to provide "community-integrated" health care and support services that are "medically appropriate" for individuals with disabilities.

► **Evaluate the demonstration project for its contribution to the longer-range vision.** WMIP will evaluate the Medicaid Integration Demonstration Project to assess the impact on service quality, client health & safety and cost-effectiveness.

► **Employ prudent business practices in Medicaid.** WMIP will identify health care integration partners to assist us in delivering the best consumer benefit and public value for our Medicaid expenditures, using sound business and professional practices.

### WMIP CONTACTS:

Becky McAninch-Dake,  
WMIP Project Manager  
mcaniBJ@dshs.wa.gov  
(360) 725-1642

Brett Lawton  
WMIP Project Manager  
lawtoBL@dshs.wa.gov  
360-725-1593

Jim Stevenson  
MAA Communications Director  
(360) 902-7604  
[Steve.JH2@dshs.wa.gov](mailto:Steve.JH2@dshs.wa.gov)

### ON THE WEB:

<http://maa.dshs.wa.gov/MIP>

## WMIP IN ACTION:

### The Snohomish County Pilot and beyond:

► Identification of health plans who develop partnerships with groups of providers of medical, mental health, and drug and alcohol abuse treatment.

► Funding streams will be integrated -- a single monthly capitated payment for medical, prescription drugs, mental health and drug and alcohol abuse treatment.

► Research at DSHS will guide as well as monitor and evaluate WMIP.

► Community feedback will help keep MIP project on course.

► Integration of long-term care services will most likely occur within 12 months of the anticipated enrollment start date (January 2005). There will be ongoing discussions with the successful bidder concerning the possibility of including services specifically for the developmentally disabled sometime in the future.



**A BETTER SYSTEM:** Washington State is already a national leader in exploring better care systems:

► **Several DSHS studies** have demonstrated that providing substance abuse and mental health treatment to at-risk clients improves health outcomes and reduces mortality, medical costs, and involvement in criminal activity. However, because services are currently delivered by separate programs that are not coordinated, many clients needing substance abuse and mental health services can remain untreated. These studies demonstrate the potential for a system of integrated care to increase access to treatment for clients with substance abuse issues and mental illness.

► **A Disease Management** program now is providing coordinated care for Medicaid clients with high-risk complexes such as diabetes, kidney disease, asthma and congestive heart failure. Those clients are healthier than before and their care is less expensive, with an estimated \$2 million savings in its first year.

### A timetable for Medicaid Integration:

☒ **2002:** Data and Models workgroups have analyzed the Medicaid population in terms of demographics, use of services, cost of care, and where care is provided.

☒ **Fall 2003:** A Request for Proposals (RFP) sought bids on a major project in Snohomish County built around an integrated delivery system of medical, mental health, and chemical dependency treatment.

☒ **January-March 2004:** Community meetings to introduce the WMIP project.

☒ **Spring 2004:** Select contractor and work with community and providers to design coverage, identify potential problems, and make sure current benefits are preserved.

☐ **January 2005:** First WMIP clients enrolled in the demonstration project.

☐ **2005:** Long-term care will be evaluated as an addition to the WMIP benefit package as networks are developed.

